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AUDIT COMMITTEE REPORT

Subject: Monitoring Internal Audit Follow-up Review	**Purpose:** **For Approval** ☐ **For Discussion** ☐ **For Information** ☒
Prepared by: Peter Smith, Vice Principal – Finance & Resources	**Date:** 9 September 2017
Purpose: To advise the Committee of the progress made on the recommendations set-out in previous Internal Audit Reports.	
Linked to Strategic Goal 5: Build Sustainability.	
Executive Summary: Please find attached the regular monitoring report which has been updated in-line with the Internal Audit Follow-up review discussed at the May Committee meeting.	
Recommendation: Committee note the position.	
Previous Committee Approvals: N/A	
For publication ☒ **For publication with redactions** ☐ **Not for publication** ☐	

Borders College Internal Audit Monitoring Action Plan 2015

IT SYSTEMS						
RECOMMENTATION	**AGREED ACTION**	**GRADE**	**INTERNAL AUDIT DUE DATE**	**REVISED DATE**	**RESPONSIBLE PERSON**	**PROGRESS**
Web-filtering Protection - We recommend that the web-filtering system is applied to all wireless networks once the new ISLT infrastructure is implemented.	Agreed. To be implemented as part of infrastructure renewal.	Medium	31-Jul-17	31-Oct-17	Head of ISLT	ONGOING - Systems are being considered and how they will fit with the Wi-Fi system. This will be implemented as the new systems are changed. Nov 16 - Tender process has been started to acquire new wireless system. Jan 17 - F&GP has approved the award of the ISLT infrastructure and the winning bidder is now being notified. April 17 - The bidders were notified and the winner of Lot 1 and Lot 3 withdrew. Lot 1 was awarded to the second bidder. The work on lot 2 Wi-Fi cannot proceed until Lot 1 switches are in place. This functionality is being built into the design. Sept 17 - Dell failed to deliver switches in a timely fashion causing a knock-on-effect for the delivery of the WiFi system. Phase 1 of the WiFi has been installed and is working, this has to be integrated with the firewall to address these issues. The current firewall is reaching end of life and is being replaced. The current firewall is being reviewed and the many years of redundant code being removed before it is transfered to the new firewall. The old firewall has caused issues with the new hardware.
IT Security Policy - We recommend the ISLT Security Policy is updated to cover the following areas or explain them in more detail; third party access, remote access, access control physical and network security. Alternatively there could be separate policies for each area.	Agreed. This will be completed as part of infrastructure improvements.	Low	31-Jul-17	31-Oct-17	Head of ISLT	ONGOING - Security policy is being incorporated within College's ISLT Strategy. Jan 17 - F&GP has approved the award of the ISLT infrastructure and the winning bidder is now being notified. Content of policy will require to refer to areas of new infrastructure currently under progress. April 17 - The bidders were notified and the winner of Lot 1 and Lot 3 withdrew. Lot 1 was awarded to the second bidder. The work on lot 2 Wi-Fi cannot proceed until Lot 1 switches are in place. This functionality is being built into the design. Sept 2017 - Servers, Switches ip telephony and WiFi have been replaced. To complement this the firewall has reached end of life and is being replaced in the life cycle of these infrastructure changes in light of the recent NHS cyber attacks the demands have changed and this is being incorparated into the new infrastructure. As an educational establishment with the Bring Your Own Device we are not able to follow the suggestion that we only use known devices on our network, we have to create layers of security to allow our students to be educated. An example would be students that need USB sticks for examination purposes, so this needs to be catered for rather than blanket bans. User education needs to be raised as this is not an IT only issue any more. Policy will now be updated to reflect this.

RECOMMENDATION	AGREED ACTION	GRADE	INTERNAL AUDIT DUE DATE	REVISED DATE	RESPONSIBLE PERSON	PROGRESS
PIN Codes Smart Devices - We recommend the College ensure smart devices are connected with security PIN codes. There are a number of ways to do this, most commonly this is enforced through smart devices connecting to the Exchange server which can be configured to require a PIN code before connections are allowed.	Agreed. Audit of current devices carried out and staff advised of requirement to have PIN codes.	Medium	30-Jun-17	31-Oct-17	Head of ISLT	ONGOING - Security policy is being developed reflecting the need to increase staff awareness of security issues. Jan 17 - An inventory to confirm which staff members have a College device will be completed by the end of January 2017. April 17 - Completed. This policy can be enforced by the E-mail system for Android and I phones as the phones are replaced this will become automated. Sept 2017 - Phase 1 of WiFi solution is complete and the second phase includes replacement of the firewall which will lead to an increased level of security. This is a college so as such devices will attached to the network that are not known to the college. There has to be a compromise to allow Bring Your Own Device to happen. This means protecting data from outside device. The requirement for pincodes on staff devices can be achieved by switching this on at the e-mail server. Staff will be advised that this is going to happen. The e-mail server can also wipe stolen or lost devices. Registration on the WiFi network can check the operating systems are patched and up to date and block accordingly.
Endpoint Control Solution - We recommend the College continue to investigate possible solutions and following this implement this to ensure controls are in place.	Agreed. A recommendation will be made to management following completion of infrastructure project.	Low	31-Jul-17	31-Oct-17	Head of ISLT	ONGOING - Work continues as the new infrastructure is implemented. Jan 17 - award of infrastructure approved. Discussion on removal of unencrypted data from sites was discussed with Audit Committee members in Dec 2017. Head of ISLT considering how issue is dealt with practically followed by policy. Sept 2017 - Phase 1 of WiFi solution is complete and the second phase includes replacement of the firewall which will lead to an increased level of security. This is a college so as such devices will attached to the network that are not known to the college. There has to be a compromise to allow Bring Your Own Device to happen. This means protecting data from outside device. The requirement for pincodes on staff devices can be achieved by switching this on at the e-mail server. Staff will be advised that this is going to happen. The e-mail server can also wipe stolen or lost devices. Registration on the WiFi network can check the operating systems are patched and up to date and block accordingly.
ESTATES MANAGEMENT						
RECOMMENDATION	**AGREED ACTION**	**GRADE**	**INTERNAL AUDIT DUE DATE**	**REVISED DATE**	**RESPONSIBLE PERSON**	**PROGRESS**
Estates Strategy - We recommend the College review and issue the draft Estates Strategy.	Agreed. Estates Strategy scheduled for consideration by Board in June 2017.	Medium	30-Jun-17	31-Oct-17	Vice Principal - Finance & Resources	ONGOING. Jan 2017 - New revised date set for 1 June 2017. Sept 2017 - Draft Strategy was presented to the Regional Board in June. Final version will be presented on 26 Oct 2017.

FINANCIAL CONTROLS						
RECOMMENDATION	AGREED ACTION	GRADE	INTERNAL AUDIT DUE DATE	REVISED DATE	RESPONSIBLE PERSON	PROGRESS
Raising Purchase Orders - We recommend that the College continue with the phased implementation to ensure this is implemented College wide.	Agreed. PECOS implementation will continue to be extended.	Low	30-Jul-17	31-Dec-17	Head of Finance & Procurement	ONGOING - Phased implementation continues. Jan 2017 - New revised date of 31 July 2017 set. Sep 2017 - additional users and suppliers continue to be added to the PECOS system on an ongoing basis.

STAFF UTILISATION						
RECOMMENDATION	AGREED ACTION	GRADE	INTERNAL AUDIT DUE DATE	REVISED DATE	RESPONSIBLE PERSON	PROGRESS
Manual Systems - We recommend that the College seek to streamline the timetabling processes and roll out a less onerous and consistent approach across the College.	Agreed. CELCAT has been purchased and will be implemented for 2017-18.	Low	31-Jul-17		Head of ISLT	COMPLETED. Work has started. Systems which work with UNIT-e are being explored and further information gathered on Heriot Watt's system along with a visit to Forth Valley College. Demonstrations have been presented from Celcat and HW timetabling systems. We are now looking at how these systems integrate with the existing college systems. Nov 16 - Celcat have provided a test system and this has been tested with the Faculty heads now meeting to explore how this system interfaces with unit e. Jan 2017 - Prioritised at ISLT Strategy Meeting on 7th December, 2016 as a Major Project and Priority 1 but await Funding Council allocation in Spring 2017. April 17 - The contract has been awarded for the new timetabling software. It has been installed on server ready to commence training of staff with the system ready for next college year. Sept 2017 - COMPLETED - This has been rolled out to staff and is being shown as a link via Advantage from the student record system. The link between Unit e and the timetable system has been established. The attendance part of Celcat is being used to track attendance, the link to Unit-e allows the attendance reports to be produced. Further developments and this becomes more visible on the web and mobile devices.

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CORPORATE GOVERNANCE						
RECOMMENTATION	**AGREED ACTION**	**GRADE**	**INTERNAL AUDIT DUE DATE**	**REVISED DATE**	**RESPONSIBLE PERSON**	**PROGRESS**
Self-evaluation Corporate Governance - We recommend that the Chair of the Board and Chairs of each sub-committee complete a self-evaluation on an annual basis. The evaluation should normally be led by the Vice Chair of the Board/Committee.	Agreed. Process is currently under consideration by Chair and Board Secretary.	Low	31-Jul-17		Board Secretary	Process agreed. Raised at the recent Clerks' Meeting on 8 September 2016 but there is no generic questionnaire therefore a new questionnaire will be drawn up. Nov 16 - draft questionnaire with Chair for comment. Jan 17 - Feedback from Chair received and currently with D Killean for consideration. Sept 2017 - At the June Regional Board meeting , the Board agreed to adopt the toolkit and pilot its use for self-evaluation within the next academic year. The Board Secretary would be responsible for ensuring that this was taken forward.
Conflicts of Interest - We recommend that the College ensure that registers of interests are obtained for all Board of Management members. We also recommend that the document is updated on the website.	Agreed. This will be implemented.	Low	30-Apr-17		Board Secretary	COMPLETED. Sept 2017 - Register is fully complete and will be reviewed and updated twice a year.

MIS DEPARTMENT						
RECOMMENTATION	**AGREED ACTION**	**GRADE**	**INTERNAL AUDIT DUE DATE**	**REVISED DATE**	**RESPONSIBLE PERSON**	**PROGRESS**
Course Information - We recommend that the College implement the entry tool once testing is completed and satisfactory.	Agreed. An interim solution is in place and further work will be carried out as resources are identified, with the intention to fully implement for Academic Year 2018-19.	Medium	31-Jul-18		Head of MIS	ONGOING - Tool is in early stages of testing and still to be shared with Faculty Heads. Nov 16 -This is stopped at the present due to the Developer not being here. Jan 2017 - Prioritised at ISLT Strategy Meeting on 7th December, 2016 as a Minor Project and Priority 2 but all of these are subject to us receiving adequate funding to allow these to go ahead from the Funding Council funding allocations which is not due to be announced until Spring 2017.

Online Applications - We recommend that the College consider introducing an online application process for all courses on offer.	Agreed. The College agrees this is important; however, other systems developments have been agreed as taking precedence.	Low		30-Jun-18		Head of MIS & Head of ISLT	ONGOING - This has not been started yet. Jan 2017 - Prioritised at ISLT Strategy Meeting on 7th December, 2016 as a Major Project and Priority 2 but all of these are subject to us receiving adequate funding to allow these to go ahead from the Funding Council funding allocations which is not due to be announced until Spring 2017.
Student Certification - We recommend that the College explore the possibility of setting up the Unit E system to allow electronic transfer of files with all awarding bodies.	Agreed. This will be progressed as part of the national Awarding Body to Centre Project.	Low		31-Dec-18		Head of MIS & Head of ISLT	ONGOING - This has been discussed but no work has yet been started on this as Capita are re-writing a part of the UNIT-e system which may address this. However, the solution from Capita will have a cost element to it but we may need to have it as part of the developments for A2C which SQA are now undertaking too. This is also dependent on SQA's re-write of their system which they are carrying out at present. Jan 2017 - New revised date set for 31/12/18 following feedback from SQA on their system timescales.

STUDENT FUNDING						
RECOMMENTATION	AGREED ACTION	GRADE	INTERNAL AUDIT DUE DATE	REVISED DATE	RESPONSIBLE PERSON	PROGRESS
Business Impact Analysis - We recommend that the College carry out a business impact analysis for the CAMS system to ensure there is an agreed backup window and acceptable downtime for the system. We would encourage this analysis to be carried out for all College systems to ensure there is a formal agreement for the prioritisation and backup of services, which would change, depending on the time of the year.	Agreed. Head of ISLT has been liaising with Lead Auditor to agree a format of analysis report.	Medium	30-Jun-17		Head of ISLT	COMPLETED This system is backed up everyday. The company has been contacted to make sure that it does not have issues with uploads from students. The security of the server has been reviewed, whilst the impact analysis is carried out. Jan 2017 - New revised date set for impact analysis to be completed. The software company has confirmed that this is a SQL database that operates a transaction log, they have confirmed that the transaction log operates so that data can be restored to the nearest second in conjunction with the the previous day's backup. This is a reasonable level of risk versus cost. Sept 2017 - business impact analysis has been completed.
Data Retention - We recommend that the Policy is implemented and approved at the next Regional Board Meeting.	Agreed. Meeting with SMT members and HoFs to review bursary/EMA policy with a view to incorporating all required info including retention of records.	Low	31-Mar-17		Head of Student Services/Student Funding Manager	COMPLETED. Policy under review and development. Will have in place for due date 31 Mar 2017. Jan 2017 - Meeting with SMT members and HoFs to review bursary/EMA policy with a view to incorporating all required info including retention of records. April 2017 - Following our review of this we will continue to use the required National Policy guidelines for student funds and the current adopted financial records retention timescales. With regard to online records, we will retain an overview of individual student funding outcomes for the current year plus the previous 6 years to enable the monitoring requirements for eligibility to access a maximum of 3 years funding in any 6 year period as per the national policy guidelines. (paragraph 2 of the Further Education Bursary Award Assessment policy).
Feedback Survey - We recommend that the College finalise the development and implementation of the feedback survey.	Agreed. Being developed and implemented for new applications for 2017 onwards. New revised date of 31 May has been set.	Low	31-May-17		Head of Student Services/Student Funding Manager	COMPLETED. We are planning to encompass an automatic survey request following submission of the funding application similar to the one that exists for online admissions application. This will be designed and written into the programme for the next session. Jan 2017 - Being developed and implemented for new applications for 2017 onwards. New revised date of 31 May has been set. April 2017 - Completed and Application users survey embedded into the 2017/18 student funding application process.

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GOVERNANCE						
RECOMMENTATION	**AGREED ACTION**	**GRADE**	**INTERNAL AUDIT DUE DATE**	**REVISED DATE**	**RESPONSIBLE PERSON**	**PROGRESS**
Risk Management - We recommend that the College continue with the plan to provide risk management training to all staff members.	Agreed. Risk management training will be rolled out via faculty and department meetings when considering self-evaluation and development plans.	Low	30/09/2017		Vice Principal - Finance & Resources	Sept 2017 - COMPLETED. Training was provided to all members of the College Management Team in May 2017.

CURRICULUM PLANNING						
RECOMMENTATION	**AGREED ACTION**	**GRADE**	**INTERNAL AUDIT DUE DATE**	**REVISED DATE**	**RESPONSIBLE PERSON**	**PROGRESS**
We recommend that the College look to implement the timetabling planning software currently being reviewed.	Agreed. The College is currently investigating options for central timetabling software, with the intention that this be implemented for 2017-18 Academic Year.	Medium	31/07/2017		Vice Principal - Finance & Resources	Sept 2017 - COMPLETED. New timetabling system has now been implemented.

PURCHASES & PROCUREMENT						
RECOMMENTATION	**AGREED ACTION**	**GRADE**	**INTERNAL AUDIT DUE DATE**	**REVISED DATE**	**RESPONSIBLE PERSON**	**PROGRESS**
We recommend that the College monitor the performance of contracted suppliers to ensure they are receiving the level of service set-out in the terms of the contract.	Agreed. This task forms part of the Procurement Officer's role and, now that initial training has been completed, will be part of her supplier management activity. This will cover local contracts. For Framework Agreement contracts, we expect APUC to lead on supplier management.	Medium	31/07/2017		Procurement Officer	Sep 2017 - COMPLETED - this has been added to the Procurement Action Plan and will be implemented throughout the year via monitoring schedule.